

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Medical Review Division regarding a medical fee dispute between the requestor and the respondent named above.

I. DISPUTE

1. a. Whether there should be additional reimbursement of \$11,688.00, for dates of service 12/10/01 through 12/14/01.
- b. The request was received on 07/31/02.

II. EXHIBITS

1. Requestor, Exhibit I:
 - a. TWCC 60 and Letter Requesting Dispute Resolution
 - b. UB-92
 - c. Medical Records
 - d. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
2. Respondent, Exhibit II:
 - a. TWCC 60 and Response to a Request for Dispute Resolution
 - b. UB-92
 - c. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
3. Per Rule 133.307 (g) (3), the Division forwarded a copy of the requestor's 14 day response to the insurance carrier on 09/05/02. Per Rule 133.307 (g) (4), the carrier representative signed for the copy on 09/10/02. The response from the insurance carrier was received in the Division on 09/23/02. Based on 133.307 (i) the insurance carrier's response is timely.
4. Notice of Additional Information submitted by the Requestor is reflected as Exhibit III of the Commission's case file.

III. PARTIES' POSITIONS

1. Requestor: Letter dated 08/29/02

“Our facility performed Reexploration with revision lumbar Laminectomy and discectomy [sic] at L3-L4 and L4-L5 bilaterally for decompression of the exiting nerve roots and spinal cord in an inpatient setting on 12/10/01. The patient was discharged on 12/14/01. On 4/8/02, we received a reimbursement from (**Carrier**) of \$31,004.95 for a \$70,865.52 claim. We do not feel this reimbursement is fair and reasonable.”

2. Respondent: Letter dated 09/23/02

“The stop-loss method was established to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during treatment to an injured worker. (Carrier’s) reimbursement was based on a review of the bill whereby Rev code 274 was paid at invoice plus 10%. The hospital charged \$22,668.00. The invoice shows the hospital paid \$4,830.00. (Carrier) paid \$5,313.00. This service does not appear to be unusually costly to the provider.”

IV. FINDINGS

1. Based on Commission Rule 133.307(d) (1) (2), the only dates of service eligible for review are 12/10/01 through 12/14/01.
2. The Provider billed the Carrier \$70,865.52 for the dates of service 12/10/01 through 12/14/01.
3. The Carrier made a total reimbursement of \$31,004.95 according to the audit dated 03/27/02 for the dates of service 12/10/01 through 12/14/01.
4. The amount left in dispute is \$11,688.00 per the Disputed Services Table.

V. RATIONALE

Medical Review Division's rationale:

The medical reports indicate that the services were performed. The medical documentation submitted by the Requestor indicates that the total hospital bill was \$70,865.52. Per Rule 134.401 (c)(6)(A)(i)(iii), once the bill has reached the minimum Stop-Loss threshold of \$40,000.00, the entire admission will be paid using the Stop-Loss Reimbursement Factor (SLRF) of 75%. Per Rule 134.401 (c)(6)(A)(v), the charges that may (emphasis added) be deducted from the total bill are those for personal items (television, telephone), those not related to the compensable injury, or if an onsite audit is performed, those charges not documented as rendered during the admission may be deducted.

The carrier is allowed to audit the hospital bill on a per line basis. The Carrier denied "Hospital Services" as "F-M,G,R LINE ITEM BILL REVIEW BY CORVEL, IMPLANTS PAID AT INV PLUS 10%. DETAILED AUDIT REPORT WILL BE SENT. PD PER INPT HOSPITAL FEE GUIDELINES."

According to TWCC Rule 413.011(d):

"Guidelines for medical services fees must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fee charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual's behalf. The commission shall consider the increased security of payment afforded by this subtitle in establishing the fee guidelines."

The carrier has submitted one purchase order that indicates evidence of the cost of the implants. The total indicated is \$4,830.00 for implantables. The provider indicates on the submitted UB-92 a total charge of \$22,668.00 for the total cost of the implants. Based on the information provided by the requestor, it would not appear that effective cost control has been achieved by a 500% mark-up on the implantables.

Therefore, additional reimbursement **is not** recommended.

The above Findings and Decision are hereby issued this 8th day of January 2003.

Michael Bucklin
Medical Dispute Resolution Officer
Medical Review Division

MB/mb